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Chief, Administrative Services ✓

19 December 1951

Deputy Comptroller

Survey of Payroll Activities of the Fiscal Division

1. Reference is made to our recent conversation concerning the survey to be started 20 December 1951 by your Office with respect to possible mechanization of certain payroll activities of the Fiscal Division.

2. In our opinion, this survey should include as minimum objectives the preparation or processing of the following by punch card processes:

- a. Earnings records cards either by use of transfer posting machines or by IBM tabulator.
- b. Payroll
- c. Bond issuance schedules
- d. Tax withholding statements, Form W-2.
- e. Annual employees' earnings statements
- f. Quarterly FICA report
- g. Change slips (partially prepared by IBM prior to issuance).

3. In order to produce the above records and statements, it is believed that the following basic records must be developed and maintained:

- a. PUNCH CARDS - Punched tabulating cards which form the basic payroll accounting record and which would be: Master Pay Cards, Pay Period Cards, Earnings Summary Cards, and Bond Issuance Cards.
- b. BLOCK TRANSMITTAL - A transmittal to be used to provide accountability for documents transmitted to the machine section.

Document No. <u>03</u>	<u>BLOCK CONTROL REGISTER</u> - A register to provide a daily record of block transmittals from which listings can be reconciled and which will serve as a means of posting to a payroll control register.
No Change in Class. <input type="checkbox"/>	
<input checked="" type="checkbox"/> Reclassified	
Class. Changed To: TS S C	
Auth: HR 79-2	<u>PAYROLL CONTROL REGISTER</u> - A register to provide a means for securing independent totals of changes each pay period to insure the accuracy of the rolls.
Date: <u>8/09/78</u>	By: <u>029</u>

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~~SECURITY INFORMATION~~

- 2 -

- e. PREVIOUS NORMAL LISTING - A listing of the master cards of all employees prepared by the IBM section immediately after completion of the regular payroll.
- f. PREDETERMINED PAYROLL LISTING - A listing of the current pay cards including all changes processed to the IBM machine section through the payroll cut-off period.

4. In developing the procedures, it will be necessary that certain definite techniques be applied. These techniques in general would be as follows: All cards key punched should be key-verified prior to interpretation or proof listing. In all probability all cards would have to be interpreted except those cards which are used in a one-time operation which do not go into a permanent file. All cards reproduced or summary-punched for any reason, would have to be tabulated or listed for proof of punching. Controls should be maintained in the payroll section for checking against proof listings released from the machine room. Registers, reports, and special listings should be maintained in file in the payroll section but all punch card files in connection with the operation should be maintained by the machine section.

5. In considering procedures to be followed, plans should be made for the payroll to be prepared in such a fashion that the copy going to the disbursing office should indicate only the name of the employee and amount of pay.

6. One of the major problems with respect to the payroll activity is the high percentage of payroll change slips that are prepared. It is believed that a machine method can be adopted whereby a change slip is prepared for each employee in advance of issuance showing such information as the employee's name, number, title, service and grade, branch, agency, tax class, bond code, salary, allotment, etc., and the previous normal pay information. These forms can be filed in the holding file until a change slip is needed. Then it would only be necessary for the payroll compiler to pull the pertinent, partially prepared change slip from the holding file, and fill in only the change information including the new normal and pay this period information. This would save a tremendous amount of time in preparing change slips since all the information printed on the slips by tabulator would no longer be filled in manually by compilers. The change slip would be replaced again in the partial prepared holding file by IBM process and would be available in connection with the next change to be processed for that employee.

~~CONFIDENTIAL~~
~~SECURITY INFORMATION~~
- 3 -

7. Also, in the study, consideration should be given to only preparing an employee's earnings record card quarterly or annually since many of the present uses of the employee record card are no longer applicable under a properly developed IBM payroll procedure.

8. It is also requested that in considering the use of punch card methods, provisions be made for obtaining the following by-product expenditure information:

- a. Regular payroll
- b. Temporary and part-time employment.
- c. WAB
- d. Night work differential
- e. Lump sum payment
- f. Native pay
- g. Leave on quarterly allowance
- h. Over-time and holiday pay

9. The above is a rather general sketch of the things which I believe should be considered in the survey.

10. I realize that without further explanation, some of the described records, reports, etc., and their purpose may not be entirely clear. I would therefore be glad to further discuss all or any part of this memorandum in detail with you and/or those persons whom you have assigned to make the study.

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